

**CITY OF EL PASO, TEXAS**  
**AGENDA ITEM DEPARTMENT HEAD'S SUMMARY FORM**

**DEPARTMENT:** City Pension Office

**AGENDA DATE:** October 3, 2006

**CONTACT PERSON/PHONE:** Robert Ash/ 541- 4545

**DISTRICT(S) AFFECTED:** All: Employees of the City County Health and Environmental District.

**SUBJECT:**

Pension Ordinance Amendment: An Ordinance Amending Chapter 2.64 of the El Paso Municipal Code (City Employees' Pension Fund) to Allow Other Entities, Including the El Paso City County Health and Environmental District, to Adopt the City Employees' Pension Fund

**BACKGROUND / DISCUSSION:**

Although the City County Health and Environmental District (the "District") had not formally adopted the El Paso City Employees' Pension Fund (the "Fund") as its own pension plan, historically, the employees of the District have participated and continue to participate in the Fund. Pursuant to the Internal Revenue Code of 1986, as amended, only employees of the plan sponsor and the employees of an adopting employer may participate in a 401(a) plan. That said, on March 8, 2006, the Board of Health of the District adopted a resolution whereby the District formally adopted the Fund for its employees. In accordance with the Internal Revenue Code, this amendment proposes to change the Fund from a single employer plan to a multiple employer plan and thereby allow the District to become an adopting employer of the Fund. This amendment shall not result in any increased cost or benefit to the City or Fund participants..

**PRIOR COUNCIL ACTION:**

**Has the Council previously considered this item or a closely related one?**

No

**AMOUNT AND SOURCE OF FUNDING:**

**How will this item be funded? Has the item been budgeted? If so, identify funding source by account numbers and description of account. Does it require a budget transfer?**

There are no costs associated with the proposed amendment.

**BOARD / COMMISSION ACTION:**

**Enter appropriate comments or N/A**

The pension fund's Board of Trustees unanimously recommended approval of this proposed amendment on March 15, 2006.

\*\*\*\*\*REQUIRED AUTHORIZATION\*\*\*\*\*

**LEGAL:** (if required) [Signature]

**FINANCE:** (if required) \_\_\_\_\_

**DEPARTMENT HEAD:** [Signature]

(Example: if RCA is initiated by Purchasing, client department should sign also)  
*Information copy to appropriate Deputy City Manager*

**APPROVED FOR AGENDA:**

**CITY MANAGER:** [Signature]

**DATE:** 9/26/06

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## RESOLUTION

**WHEREAS**, on August 29, 1984, the El Paso City-County Health District was established through a cooperative agreement entered into by and between the City of El Paso (the "**City**") and the Commissioner's Court of El Paso County, Texas (the "**Cooperative Agreement**");

**WHEREAS**, on March 10, 1992, the Cooperative Agreement was amended to change the name of the El Paso City-County Health District to El Paso City-County Health and Environmental District (the "**District**");

**WHEREAS**, Chapter 2.64 (City Employee's Pension Fund) of the El Paso City Code (the "**Code**") establishes the creation of a pension fund for eligible City employees known as the City Employees' Pension Fund (the "**Fund**");

**WHEREAS**, pursuant to Section 2.64.130 of the Code, employees of the District have historically participated in the Fund and have been treated, for all matters relating to the Fund, similar to City employees;

**WHEREAS**, pursuant to the Internal Revenue Code of 1986, as amended, a sponsoring employer of a pension fund may allow another entity, whether or not it is affiliated with the sponsoring employer, to become a participating employer of the Fund; provided that such entity makes its own contributions to the Fund for its employees;

**WHEREAS**, the City is the sponsoring employer of the Fund;

**WHEREAS**, although historically the District has been treated by the City and has acted similar to a participating employer of the Fund, the District had not formally adopted the Fund until March 9, 2006 when the Board of Health of the District adopted a resolution whereby the District formally adopted the Fund for its employees;

**WHEREAS**, Chapter 2.64.010 of the Code permits the District's participation as an adopting employer of the Fund; and

**WHEREAS**, the City desires that the District become an adopting employer of the Fund.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:**

**THAT** the City hereby approves the District's adoption of the Fund; provided that the District, as an adopting employer of the Fund, assumes the obligations of an employer under the terms of the Fund as may be amended from time to time.

**THAT** this Resolution shall be effective as of August 29, 1984.

CITY CLERK DEPT.  
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ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2006.

CITY OF EL PASO

\_\_\_\_\_  
John F. Cook  
Mayor

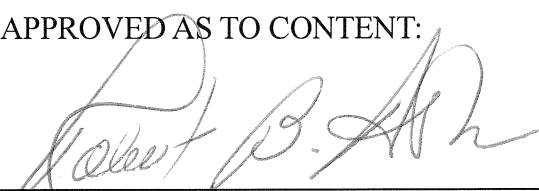
ATTEST:

\_\_\_\_\_  
Richarda Duffy Momsen  
City Clerk

APPROVED AS TO FORM:

  
\_\_\_\_\_  
Jorge Villegas  
Assistant City Attorney

APPROVED AS TO CONTENT:

  
\_\_\_\_\_  
Robert B. Ash, Pension Administrator  
City Employees' Pension Fund

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